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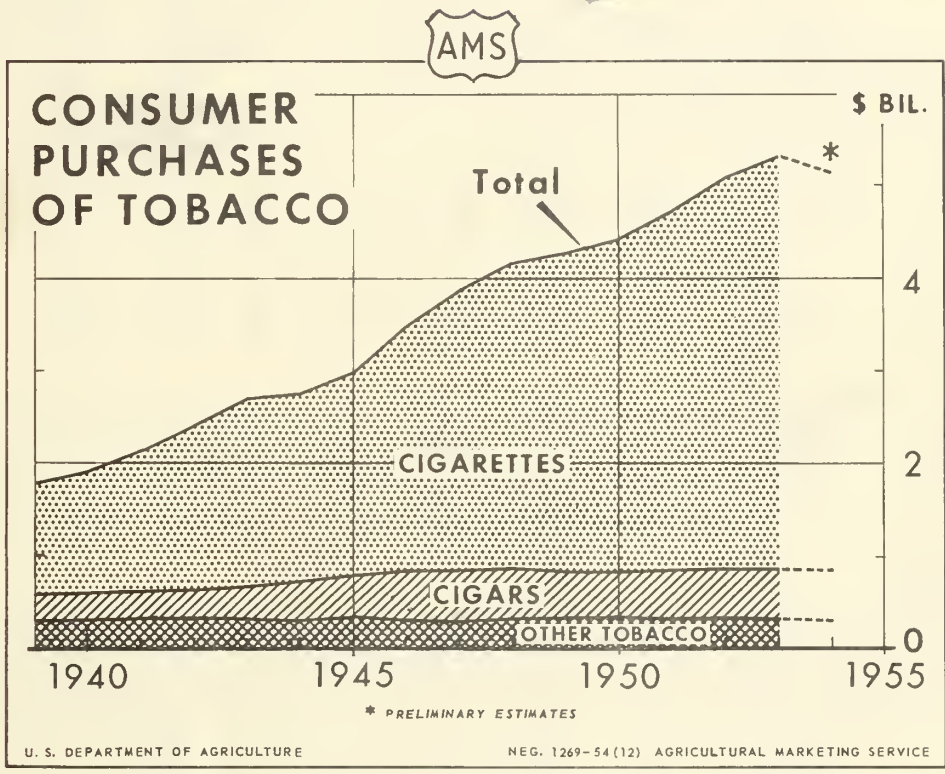
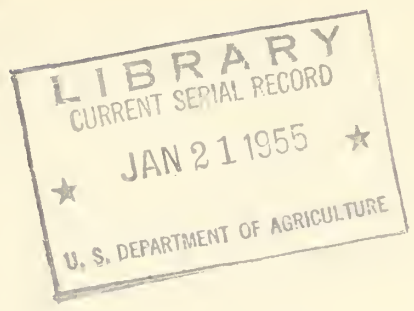


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The TOBACCO SITUATION

TS-70

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Personal consumption expenditures on tobacco in 1954, although staying above 5 billion dollars, will probably total a little less than the record of 5.3 billion in 1953. Indications are that there were small declines for cigarettes, cigars, and smoking and chewing tobacco but a slight increase for snuff. Tobacco expenditures have accounted for above 2.1 percent of disposable personal in-

come in each of the last 5 years compared with 2.5 percent in 1939 and 1940. The amounts spent on cigarettes are over three times and on cigars, over twice as much as 15 years ago. However, expenditures on other tobacco products combined are about one-tenth less with the declines for smoking and chewing more than offsetting the increase for snuff.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1953				1954				Last data available as per- centage of a year earlier
		Aug.	Sept.	Oct.	Nov.	Aug.	Sept.	Oct.	Nov.	
Average prices at auctions										
Flue-cured	Cents per lb.	53.5	57.8	53.4	41.4	49.2	53.7	53.2	51.0	123
Burley	Cents per lb.	C - 1 - o - s - e - d			56.0	C - 1 - o - s - e - d			52.8	94
Maryland	Cents per lb.	44.3	C - 1 - o - s - e - d			45.7	C - 1 - o - s - e - d			103
Fire-cured	Cents per lb.	C - 1 - o - s - e - d			32.4	C - 1 - o - s - e - d			34.6	107
Dark air-cured (35-36)	Cents per lb.	C - 1 - o - s - e - d				C - 1 - o - s - e - d				---
Virginia sun-cured (37)	Cents per lb.	C - 1 - o - s - e - d			28.0	C - 1 - o - s - e - d			31.9	114
Parity prices										
Flue-cured	Cents per lb.	52.9	52.6	52.4	52.6	53.0	52.7	52.5	52.5	100
Burley	Cents per lb.	51.4	51.2	51.1	51.2	51.3	51.1	50.8	50.8	99
Maryland	Cents per lb.	55.6	55.4	55.2	55.4	53.9	53.5	53.3	53.3	96
Fire-cured	Cents per lb.	34.2	34.1	33.9	34.1	34.7	34.4	34.3	34.3	101
Dark air-cured (35-36)	Cents per lb.	30.0	29.9	29.8	29.9	29.3	29.1	29.0	29.0	97
Virginia sun-cured (37)	Cents per lb.	35.3	35.2	35.1	35.2	34.4	34.2	34.0	34.0	97
Parity index 1/										
	1910-14=100	279	277	276	277	282	280	279	279	101
Tax-paid removals										
Cigarettes, small	Billion	34.7	33.6	34.9	30.3	34.6	32.0	31.6		91
Cigars, large	Million	4.98	5.19	5.00	5.48	5.27	5.03	5.01		93
Chewing and smoking	Mill. lb.	14.2	14.8	15.9	13.1	14.4	15.1	14.2		89
Snuff	Mill. lb.	3.3	3.3	3.4	3.1	3.5	3.4	3.1		91
Accumulated from Jan. 1										
Cigarettes, small	Billion	259	292	327	358	249	281	312		95
Cigars, large	Million	3,767	4,286	4,826	5,373	3,686	4,190	4,691		97
Chewing and smoking	Mill. lb.	111	125	141	153	106	121	135		96
Snuff	Mill. lb.	25	29	32	35	26	29	32		100
Tax-free removals										
Cigarettes, small	Billion	3	4	3	4	3	3	2		67
Cigars, large	Million	10	8	6	7	7	6	8		133
Chewing and smoking	Mill. lb.	.5	.6	.3	.3	.5	.3	.5		167
Accumulated from Jan. 1										
Cigarettes, small	Billion	24	27	30	33	21	25	27		90
Cigars, large	Million	56	65	71	78	61	66	74		104
Chewing and smoking	Mill. lb.	2.5	3.1	3.4	3.7	3.1	3.5	4.0		118
2/										
Disposable personal income	Bill. dol.		251.2				253.2			101
Tobacco expenditures	Bill. dol.		5.2				5.3			102
Index of industrial produc- tion (revised) 3/										
	1947-49=100	136	133	132	129	124	124	126	129	100
Employment										
Labor force employed	Million	63.4	62.3	62.2	61.9	62.3	62.1	62.1	61.7	100
	Percent	98.1	98.0	98.2	97.7	95.0	95.2	95.8	95.5	98
Exports (farm-sales wt.)										
Flue-cured	Mill. lb.	29.2	61.8	56.0	53.2	23.7	46.4			75
Burley	Mill. lb.	2.4	1.3	2.0	1.3	3.2	1.3			100
Maryland	Mill. lb.	1.4	.9	.7	.9	.3	1.4			156
Fire-cured	Mill. lb.	1.6	2.3	2.5	2.3	1.7	1.0			43
Dark air-cured	Mill. lb.	.5	.6	.8	.3	1.3	.4			67
Cigar	Mill. lb.	.8	.5	.6	.7	.6	.7			140
Accumulated from begin- ning of marketing yr. 4/										
Flue-cured	Mill. lb.	50.7	121.9	177.9	231.0	46.6	93.0			76
Burley	Mill. lb.	27.5	28.9	2.0	3.3	33.3	34.6			120
Maryland	Mill. lb.	7.0	7.8	.7	1.6	6.6	8.0			103
Fire-cured	Mill. lb.	26.8	29.2	2.5	4.8	27.3	28.3			97
Dark air-cured	Mill. lb.	5.9	6.6	.8	1.1	6.7	7.1			108
Cigar filler and binder	Mill. lb.	4.3	4.5	.3	.5	2.1	2.3			51
Cigar wrapper	Mill. lb.	.7	1.0	1.3	1.7	.6	1.1			110
General imports, all commodities										
Accumulated from Jan. 1	Mill. dol.	840	926	813	849	824	781	764		94
	Mill. dol.	7,379	8,305	9,118	9,967	6,882	7,663	8,427		92
Sterling area gold and dollar reserves 5/										
	Mill. dol.	2,469	2,486	2,520	2,561	2,918	2,901	2,936	2,925	114
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mill. lb.			2,240				2,267		101
Burley	Mill. lb.			1,163				1,198		103
Maryland	Mill. lb.			73				77		105
Fire-cured	Mill. lb.			146				134		92
Dark air-cured	Mill. lb.			79				76		96
Cigar, filler	Mill. lb.			194				178		92
Cigar, binder	Mill. lb.			125				120		96
Cigar, wrapper	Mill. lb.			22				21		95

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Quarterly, annual rate, seasonally adjusted. 3/ Seasonally adjusted.
 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' hold-
 ings in United States and Puerto Rico on first day of quarter.

T H E T O B A C C O S I T U A T I O N

Approved by the Outlook and Situation Board, December 21, 1954

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SUMMARY

The 1954-55 supplies of most kinds of tobacco except cigar filler and binder are fairly large with both carryover and production higher than a year ago. Domestic use of most kinds of tobacco in 1954-55 probably will be about as large as in the preceding year and exports of unmanufactured tobacco are expected to increase moderately.

Total supplies of flue-cured and Burley, the major cigarette tobaccos, for 1954-55 are 4 and 5 percent larger than for the preceding year. The total supply of Maryland, also primarily a cigarette type, is up about 5 percent. For fire-cured tobacco, the 1954-55 supply is slightly smaller than 1953-54 but for dark air-cured and sun-cured combined, supplies are up a little. The domestic outlets for these types are mainly snuff and chewing tobacco. Total supplies of fire-cured and dark air-cured tobacco are comparatively large considering the annual disappearance of recent years. The 1954-55 total supplies of continental cigar filler and cigar binder types are more than 3 percent below those for 1953-54--a record low for continental filler and almost a record low for binder types. For the shade-grown cigar wrapper types, supplies are up a little from 1953-54.

In 1955 marketing quotas and acreage allotments will be in effect on the major continental tobaccos except Maryland (type 32), Pennsylvania filler (type 41), and cigar wrapper (types 61-62). The quota legislation does not apply to the cigar wrapper types and in the case of Maryland tobacco and Pennsylvania filler, quotas were rejected. The 1955 acreage allotments for most flue-cured and Burley farms are 5 and 10 percent smaller, respectively, than for 1954 except that Burley allotments of seven-tenths of an acre or less will not be reduced. The 1955 acreage allotments for the fire-cured and Kentucky-Tennessee dark air-cured will average about 10 percent lower than in 1954. The 1955 total acreage allotment for cigar filler and binder (types 42-44 and 51-55) is a little more than was allotted in 1954.

The 1955 Government price support for flue-cured, Burley, and the cigar filler and binder (types 42-44 and 51-55) will be at 90 percent of parity. As provided by law, the price supports for fire-cured will be calculated at 75 percent of the Burley support level and for dark air-cured and sun-cured, at 66 2/3 percent of the Burley support. Prices of the 1955 crops of Maryland tobacco and Pennsylvania filler will not be supported since the required two-thirds majority was not obtained in the recent referendums.

Marketings of the 1954 flue-cured crop have been practically completed and the average price for gross sales at 52 cents was only slightly less than for 1953. An estimated 70 percent of the 1954 Burley had been marketed by December 21 at an average of 51 cents--5 percent lower than in the comparable period of a year earlier.

Cigarette output in 1954 probably totaled between 405 and 410 billion compared with 423 billion in 1953. King size cigarettes continued to gain and filter tips, reportedly, increased substantially. The 1955 cigarette consumption is expected to range near the high level of the last few years.

Cigar consumption in 1954 probably was about 6 billion--slightly less than in 1953--and is expected to be at least as high in 1955.

The quantities of smoking and chewing tobacco manufactured in 1954 are estimated at about 83 and 82 million pounds--down 4 and 2 percent, respectively, from 1953. These were the smallest outputs this century. The 1955 output of smoking may hold fairly close to 1954 but the gradual decline in chewing tobacco is likely to continue.

The 1954 output of snuff at near 39 million pounds was probably slightly greater than in 1953. About the same level is expected in 1955.

Exports of unmanufactured tobacco in the 1954-55 marketing year may increase as much as 10 percent above the 515 million pounds (farm-sales weight) of 1953-54. The continued improvement in the economic position of important tobacco importing countries and the low stocks of United States tobacco abroad in relation to consumption are favorable factors. Also some stimulus to tobacco exports is expected from the operations under the "Agricultural Trade Development and Assistance Act" passed in the 1954 session of Congress. On the other hand, tobacco from this country is facing stiffer competition in world markets because of sharp production increases abroad, particularly in Southern Rhodesia, Canada, and India.

TOBACCO PRODUCTS

Cigarettes

Output of cigarettes in 1954 probably totaled between 405 and 410 billion--3 or 4 percent less than in 1953. Production was 423 billion in 1953 and a record 435 1/2 billion in 1952. Tax-paid consumption probably was close to 374 billion--about 13 billion less than in 1953 and about 20 billion below the 1952 record.

During the past 2 years, king size cigarettes, which require about 17 percent more tobacco than regular size, continued to make a considerable gain. Indications are that filter tip cigarettes have made striking gains in the past year, particularly the king size filter tips, which in more recent months probably comprised a large majority of total filter tips. The king size filter tips require about as much tobacco as the regular size non-filter tip cigarettes.

Retail prices for cigarettes have been steady since manufacturers advanced their prices late in the first quarter of 1953. However, smokers who switched from regular to some king size brands and to filter tips have paid higher prices per pack. Increases in State tax levies or other local government taxes raised retail prices of cigarettes in certain areas. Under the existing law, the Federal tax on cigarettes reverts from 8 cents to 7 cents per pack on April 1, 1955. The 1-cent increase per pack was placed in effect on November 1, 1951. The law originally provided that this increase was to expire on April 1, 1954, but last March Congress extended the higher rate for another year.

Table 1.- Cigarettes: Total output, domestic consumption and exports, for specified periods

Period	Total output	Domestic consumption	Tax-free Total	removals 2/ Exports
	Billions	Billions	Billions	Billions
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.0	16.4
1953	423.1	386.8	37.0	16.2
1954 3/	407.0	374.0	33.0	15.0
January-October				
1952	368.9	333.7	34.6	13.5
1953	357.2	327.4	29.9	13.6
1954	340.2	312.3	27.1	12.6

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and of the United States Department of Commerce.

After continuing upward for many years, the trend in cigarette consumption following 1952 has been slightly downward. However, cigarette use in the last 2 years was still large and 1955 consumption is expected to range near the level of the last 4 or 5 years. Disposable personal income and total economic activity in 1955 are expected to be at favorable levels.

The publicity relating to cigarette smoking and health in the past year and a half has been a factor that adversely affected cigarette consumption. Another factor of some importance is the change in the age structure of the population in recent years.

From 1947 to 1952, when the United States population increased from 144.1 to 157.0 million, the number of people 20 to 44 years old rose from 55.5 to 57.7 million. The United States population has increased about $6\frac{1}{2}$ million since then, but the number in this age bracket has been virtually unchanged. It is probable that a larger proportion of 20-to-44-year olds are cigarette smokers than in the other age brackets and that their rate of consumption is higher.

The number of people 45 years and over increased from 40.7 to 44.8 million between 1947 and 1952 and will be about 47.5 million by mid-1955. Unofficial survey data indicate the proportion of cigarette smokers declines progressively in the older age groups. Apparently a significant proportion of regular cigarette smokers discontinue smoking cigarettes as they grow older. Also, rates of consumption appear to decrease gradually as cigarette smokers increase in age.

The number of 15-to-19-years olds declined from 11.3 to 10.6 million between 1947 and 1952 but will increase to 11.2 million by mid-1955. Data are not available as to the extent or rate of consumption by teenagers, but the proportion smoking and average rate of consumption are probably considerably less than in the age brackets beyond the teens.

Considering the changes during the last 8 years in the numbers within age groups, it is probable that cigarette consumption received more impetus from population growth between 1947 to 1952 than it has since.

Projections indicate that the United States population may total over 176 million persons by 1960. Most of the increase will be in the older and younger age groups. The number 45 years and over is expected to rise from about 47.5 million to about 52.3 million while the number of 15-to-19-year olds may rise from 11.2 million to approximately 13.4 million by 1960. The number in the 20-to-44-year old group is expected to show only a slight rise--from about 57.7 million to 57.9 million.

The number of cigarettes for shipment to overseas forces has declined by around one-fifth since 1952. Commercial exports of cigarettes after remaining fairly stable from 1951 through 1953, dropped an estimated 8 percent in 1954.

Table 2.- Cigarette exports from the United States
to leading countries for specified periods

Country	Average 1934-38	1952 <u>1/</u>	1953 <u>1/</u>	January-September		
				1953 <u>1/</u>	1954 <u>1/</u>	1954 as percentage of 1953
	Million	Million	Million	Million	Million	Percent
Tangier & Fr. Morocco	12	2,271	2,036	1,611	1,054	65
Venezuela	39	1,570	1,411	1,055	1,097	104
Belgium	63	814	958	672	597	89
Hong Kong	22	710	948	708	558	79
Sveden	80	654	838	681	599	88
Panama & Canal Zone	389	817	833	608	513	84
Netherlands Antilles	1,221	846	743	598	415	69
France	307	852	691	660	512	78
Canada	12	533	554	425	348	82
British Malaya	3	639	501	341	341	100
Other countries <u>2/</u>	2,622	6,646	6,736	5,054	5,221	103
Total all countries	4,770	16,352	16,249	12,413	11,255	91

1/ Preliminary

2/ Included over 90 foreign destinations in 1952 and 1953

Compiled from publications and records of the United States Department of Commerce.

Cigars

The output of cigars in domestic factories and bonded manufacturing warehouses in 1954 probably totaled close to 6,040 million--a little less than 1953, which was the highest in nearly a quarter of a century. Cigars shipped from Puerto Rico during 1954 may jump to around 48 million--near five times as much as in 1953. Imports, mostly from Cuba and the Philippine Republic, are likely to approximate 17 million--practically the same as in 1953. In 1955 cigar consumption seems likely to continue at least at the 6-billion level. Consumer incomes are expected to remain fairly stable and may increase some.

Cigar consumption in this country accounted for a very large proportion of output. Of the approximately 93 million in the tax-free group, the predominant share went to overseas forces. Commercial exports, although increasing considerably percentagewise in the last 2 years, amounted to only about 8 million.

Table 3.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories				Bonded manu- facturing: ware- houses	Imports for consumption		From Puerto Rico: Tax- paid with- drawals in United States
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total	From Philip- pines	From Cuba	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	189.2	3.0	27.4
1940-44	5,450	5,282	199	105	93.7	78.4	15.3	11.6
1945	5,275	4,774	469	82	60.0	.0	59.8	85.3
1946	5,618	5,621	26	125	22.2	2.0	20.1	77.8
1947	5,488	5,460	41	124	12.5	3.2	9.1	6.2
1948	5,645	5,588	38	140	11.8	1.4	10.3	5.0
1949	5,453	5,399	46	142	10.9	.6	10.2	4.6
1950	5,399	5,365	47	158	11.9	.7	11.1	.7
1951	5,594	5,518	85	171	14.3	1.3	13.0	.7
1952	5,825	5,755	102	184	14.6	1.9	12.5	1.9
1953	5,945	5,817	90	<u>2</u> /200	16.8	2.9	13.4	9.9
1954 <u>2</u> /	5,840	5,720	93	200	17.0	3.0	14.0	48.0
Jan.-Oct.								
1952	4,916	4,776	89	<u>3</u> /	11.6	1.3	10.1	1.0
1953	4,999	4,826	71	<u>3</u> /	12.7	2.5	10.0	5.4
1954	4,892	4,691	74	<u>3</u> /	<u>2</u> /12.7	<u>2</u> /2.5	<u>2</u> /10.1	<u>2</u> /41.0

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Preliminary estimate. 3/ Not available.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the United States Department of Commerce.

During the first three-fourths of 1954, the sales of cigars in the most popular price group--8.1 to 15.0 cents--dropped 2 percent below the same period of 1953 but those in the next most popular group--4.1 to 6.0 cents--, gained about 0.6 percent. These two groups accounted for over four-fifths of the total cigars sold. In the intermediate-price group--6.1 to 8.0 cents--, comprising about 10 percent of the total, the sales fell off by around one-tenth from the comparable figure of a year earlier. The number of low-priced cigars--4 cents and under--and the

number of higher-priced cigars--15 cents and over--held about even with a year earlier. A major share of the highest-priced cigars (retailing for over 20 cents) are produced in bonded manufacturing warehouses, which use only imported tobacco. The bulk of the imported Cuban cigars are also in this category.

Although total cigar consumption in the last year or two has been more than one-eighth above the late 1930's, the consumption per male, 15 years and over, is about 5 percent below prewar.

Smoking Tobacco

The 1954 output of smoking tobacco for pipes and roll-your-own cigarettes probably totaled about 83 million pounds--around 4 percent less than in 1953 and the lowest this century. Consumption per male, 15 years and over, is estimated at about one-fourth less than 5 years ago and two-thirds below prewar. With the comparatively high consumer income of recent years, total annual use of smoking tobacco has been less than one-half that of the 1930's. Smoking tobacco is one of the most economical of the tobacco products and hence, appealed to consumers when income levels were substantially lower.

It seems likely that the consumption of roll-your-own cigarettes will continue to decline, but the volume smoked in pipes is expected to be at least as large in 1955 as in 1954. The continuing decline in tobacco for roll-your-own cigarettes is indicated by the fact that tax-paid cigarette papers (roughly half the total cigarette papers--the other half being given away tax-free) dropped about one-sixth in the first 9 months of 1954 compared with the same months of 1953.

During January-September 1954, exports of packaged smoking tobacco totaled 405,000 pounds--over one-fifth less than in the same period of 1953. The exports of bulk smoking tobacco (which includes prepared cigarette tobacco, granulated tobacco, partially processed-blended tobacco, and shredded tobacco) totaled 3,114,000 pounds--over one-tenth less than in the first three quarters of 1953. The 1953 exports of bulk smoking tobacco were a record high--two or three times those of most previous years.

Chewing Tobacco

The 1954 output of chewing tobacco probably was near 82 million pounds--about 1 percent less than in 1953 and the smallest this century. The gradual downward trend in domestic consumption probably will continue. Chewing tobacco consumption per male, 15 years and over, is about 17 percent lower than the 1947-49 average and 38 percent below the 1935-39 average. During the first ten months of 1954, output of plug and scrap were 2.1 and 4.0 percent smaller than in the same period of a year earlier. Plug and scrap together accounted for nine-tenths of total chewing output. The output of twist and fine-cut chewing during the first 10 months of 1954 were each 4 or 5 percent ahead of the same period of 1953.

Exports of chewing tobacco, mainly twist and plug, totaled 1,341,000 pounds during January-September 1954--23 percent larger than in the same period of last year.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Chewing						Snuff
	Smoking	Plug	Twist	Fine- cut	Scrap	Total	
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.3	38.0	4.6	2.8	37.8	83.2	38.6
1954 1/	83.0	37.5	4.8	2.9	36.8	82.0	39.0
Jan.-Oct.							
1952	83.3	33.4	4.0	2.3	32.4	72.1	32.6
1953	74.6	32.3	3.9	2.3	31.9	70.4	32.2
1954	71.0	31.7	4.1	2.4	30.6	68.4	32.2

1/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Snuff

The output of snuff in 1954 was about 39 million pounds--a little above 1953. Practically all the output is consumed in this country. The 1955 prospect is for about the same output and consumption as in 1954. Annual output of snuff has fluctuated rather narrowly since World War II and no year has deviated more than 2 or 3 percent from the average of the last 9 years. The 1946-54 average of 39.6 million pounds is 6 percent above the 1935-39 average.

Since snuff consumption in the aggregate has been comparatively stable, the increase in the population has meant a moderate decline in use per capita. The 1954 consumption per capita, 15 years and over, was about 9 percent below 1947-49 and 15 percent below 1935-39.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

The 1954 calendar year exports of tobacco are estimated at approximately 495 million pounds--declared weight--compared with 519 million in 1953 and 397 million in 1952. The substantial shipments of tobacco to Britain postponed from the fall of 1952 until the first half of 1953 boosted the 1953 figure.

The 1954 exports of tobacco are expected to total only about 5 percent less than 1953 even though shipments for the first 10 months of 1954 were one-tenth lower than in the same period of 1953. A substantial volume of tobacco probably moved out during the last quarter of 1954 reflecting the heavy marketings of flue-cured in September, October, and November. October exports at 98 1/2 million pounds were a record monthly total.

On a marketing year basis, the 1954-55 exports of tobacco may increase as much as 10 percent above the 458 million pounds (515 million farm-sales weight) of 1953-54 and be the largest since 1951-52. Indications are that major importing countries taking United States tobacco are continuing to improve their economic position. During most of 1954, industrial production in the United Kingdom, Germany, Netherlands, Belgium, France, Italy, and Japan was higher than in 1953. Estimated gold and dollar holdings by the end of the third quarter were 8 percent higher than a year earlier for the United Kingdom and the sterling area. Sterling area holdings have risen 39 percent from the extremely low level of 2 years ago. Gold and dollar holdings of Western Germany at the end of the third quarter of 1954 were 73 percent above a year earlier. Increases also occurred in Netherlands, France, Italy, Switzerland, and several other western European countries but there was a relatively small decrease for Belgium. Gold and dollar holdings of Indonesia and Japan declined from a year earlier while there was no change for the Philippine Republic.

Although the gold and dollar holdings abroad have increased, United States imports--the principal source of dollar exchange to foreigners--have declined some. During the first 10 months of 1954, general imports were nearly 8 percent lower than the high level of a year earlier. The import declines from January-September 1953 to January-September 1954 were mostly in metals and textiles. The total value of United States imports during each of the years, 1951-53, was 44 percent above the 1948-50 average and at the highest level in history.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

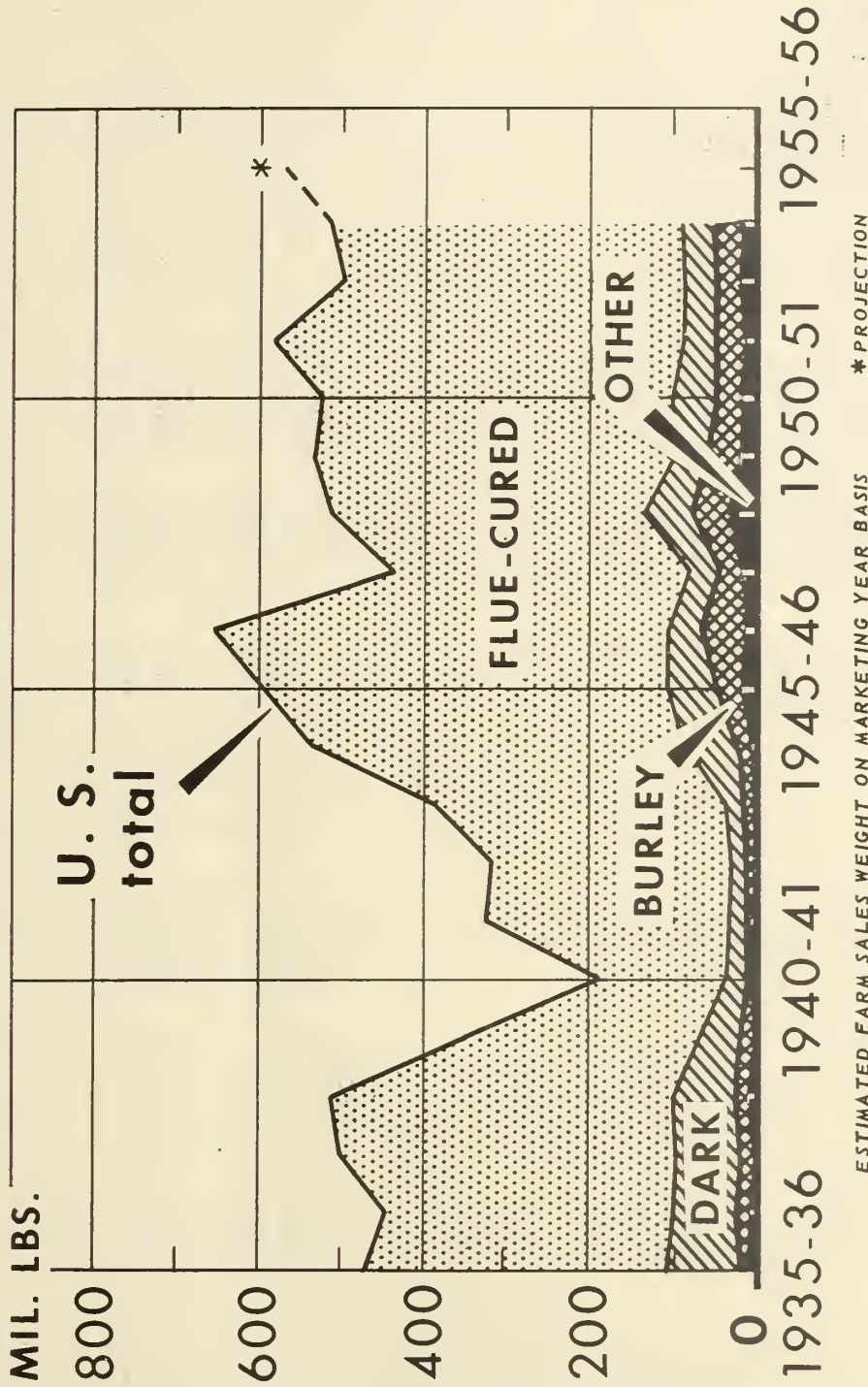
Table 5.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

(Declared weight)							
Country and type	January-October						1954 as percent- age of 1953
	Average	Average	1952	1953	1953	1954	
	1934-38	1947-51	1/	1/	1/	1/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	388.1	319.3	444.3	335.5	289.0	86
Burley	11.6	32.9	27.0	25.0	20.3	25.7	127
Maryland	5.5	7.3	5.8	8.2	7.0	6.6	94
Va. sun-cured	---	---	.3	2/	2/	2/	---
Va. fire-cured	9.7	6.0	4.9	4.3	3.0	2.8	93
Ky. & Tenn. "	53.7	24.6	21.8	19.5	15.9	17.8	112
One Sucker	.7	3.1	1.5	1.0	.8	.8	100
Green River	3.0	1.7	2.3	1.8	1.7	1.8	106
Black Fat, etc.	9.0	4.7	3.2	3.9	3.1	3.5	113
Cigar wrapper	)	)	3.1	3.9	3.2	2.7	84
Cigar binder	)1.3	)9.3	2.8	3.1	2.6	1.3	50
Cigar filler	)	)	.6	.6	.5	.2	40
Perique	.1	.1	.1	.1	.1	2/	---
Stems, trimmings, and scrap	17.8	8.1	3.6	3.0	2.2	2.4	109
Total	437.3	485.4	396.5	518.7	395.9	354.6	90
Country of destination:							
United Kingdom	213.9	177.8	54.7	179.7	139.1	120.4	87
France	21.0	9.0	6.7	4.7	3.3	10.1	306
Belgium	15.5	22.7	15.6	12.6	9.3	7.6	82
Netherlands	15.6	33.9	36.2	38.1	29.3	28.1	96
Germany, W. & E.	12.8	49.1	79.6	71.9	58.5	35.9	61
Portugal	4.8	8.7	5.0	6.9	6.4	6.8	106
Denmark	4.6	11.1	9.5	11.8	6.9	8.0	116
Ireland	7.4	17.7	16.4	17.5	11.8	12.4	105
Switzerland	3.8	12.7	10.7	11.9	9.8	8.8	90
Norway	4.7	7.9	7.8	7.4	5.6	5.5	98
Sweden	7.2	12.4	13.0	10.2	6.4	6.8	106
Italy	1.1	7.0	2.9	5.6	5.6	3.9	70
China	48.2	14.4	0	0	0	0	---
Australia	18.4	20.3	24.0	26.7	12.0	13.8	115
India-Pakistan	2.6	8.1	5.8	2.9	2.3	3.3	143
New Zealand	2.5	5.8	5.4	5.8	5.1	6.6	129
Philippine Rep.	1.2	7.6	29.7	20.9	17.8	13.1	74
Indonesia	2.0	6.5	3.2	13.0	10.6	9.3	88
Other countries	50.0	53.7	70.3	71.1	56.1	54.2	97
Total	437.3	486.4	396.5	518.7	395.9	354.6	90

1/ Preliminary. 2/ Less than 50,000 pounds.

Compiled from publications and records of the United States Department

EXPORTS OF LEAF TOBACCO



U. S. DEPARTMENT OF AGRICULTURE
 ESTIMATED FARM SALES WEIGHT ON MARKETING YEAR BASIS
 NEG. 1147-54 (10) AGRICULTURAL MARKETING SERVICE

During the 1953-54 marketing year, exports of leaf tobacco totaled 515 million pounds, farm-sales weight, (458 million, export weight)-- about one-fourth of production. In the current marketing year, 1954-55, total tobacco exports are expected to increase by perhaps one-tenth. Flue-cured tobacco exports account for over four-fifths of the total.

Burley tobacco exports--the largest in 4 years in 1953-54-- continue well above the 1930's, but exports of dark tobacco (fire-cured and dark air-cured) are only about one-half as much as prewar. Exports of cigar leaf and Maryland tobacco continue above the level of the late 1930's.

Table 6.- Flue-cured tobacco, types 11. to 14: Value per pound of the exports to major countries and to all countries, crop years 1935-53

Year beginning July 1:	Germany 1/		China 2/		Netherlands		Ireland		Philippines		Australia		Indonesia 3/		Japan		Belgium		Total all countries	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1935	44.27	17.77	20.40	13.33	27.93	14.29	36.62	20.55	39.69	15.96	39.05									
1936	48.46	16.40	16.88	11.20	37.48	9.46	35.67	20.12	26.81	11.09	37.56									
1937	43.55	16.35	15.52	12.76	39.77	10.02	37.48	18.52	39.92	11.76	36.89									
1938	42.67	16.21	14.12	14.67	42.75	9.64	33.81	20.51	---	16.89	35.52									
1939	24.86	21.27	13.87	12.98	22.81	9.64	22.73	16.85	---	12.38	21.05									
1940	29.12	---	14.92	---	26.21	13.65	23.70	17.99	---	24.19										
1941	29.08	---	13.13	---	26.67	14.78	21.87	19.50	---	26.90										
1942	36.54	---	---	---	31.97	---	29.72	---	---	37.53										
1943	46.61	---	---	---	43.69	---	47.08	---	---	46.38										
1944	55.90	---	---	---	52.91	---	50.42	---	---	55.75										
1945	55.56	---	35.62	40.49	56.11	25.61	54.63	---	---	55.38										
1946	63.29	---	46.51	39.53	56.59	---	64.39	41.11	---	58.21										
1947	57.22	20.69	41.89	33.94	55.27	---	58.44	39.92	---	51.35										
1948	53.81	29.28	38.84	33.75	59.92	23.98	69.16	50.87	---	50.64										
1949	55.27	32.16	51.49	27.20	56.32	24.97	68.15	54.92	---	48.66										
1950	64.00	43.49	59.99	42.89	62.00	62.58	69.29	60.72	78.38	36.92	59.71									
1951	66.34	54.46	---	44.83	67.96	55.04	74.90	64.22	84.30	44.91	64.55									
1952	69.57	57.43	---	43.61	70.13	51.26	76.55	65.95	86.72	40.89	64.55									
1953	71.11	61.29	---	43.09	69.56	54.18	79.48	67.90	90.49	40.69	66.94									

1/ West Germany after World War II. 2/ Excludes Hong Kong and Kwantung. 3/ Designated as Netherlands Indies prior to World War II.

Computed from data in the publications of the United States Department of Commerce.

United States tobacco exports will receive some stimulus under the "Agricultural Trade Development and Assistance Act"--Public Law 480--passed by the last Congress. This provides a means "whereby surplus agricultural commodities in excess of usual marketings ... may be sold through private trade channels and foreign currencies accepted ...". Arrangements to sell 5 million dollars worth (about 6 million pounds) of tobacco to Japan have been announced and arrangements with other countries are expected.

United Kingdom tobacco companies are making arrangements to get quantities in addition to what was originally intended when their Government allocated dollar exchange for this year's purchase.

Stocks of United States tobacco in a number of countries are believed to be low in relation to consumption requirements. However, United States tobacco is meeting greater competition as the result of the increased production in such countries as Southern Rhodesia, Canada, and India. The 1954 Canadian flue-cured crop indicated at nearly 173 million pounds is 30 percent above 1953 and 20 percent above the previous record crop of 1951. The volume of flue-cured sold in Southern Rhodesia this year was over 120 million pounds--14 percent higher than in 1953--the previous record. Production of Virginia tobacco in India in 1952-53 and 1953-54 averaged over 115 million pounds--nearly 24 percent above the average of the 4 preceding years.

Although there was a substantial acreage increase for tobacco in Greece, production has held near last year's because of a severe drought. In Turkey insufficient rain has sharply reduced this year's production from the record high of last year.

British Tobacco Situation

British consumption of tobacco is likely to top last year's 224 million pounds and be higher than any other year except the record 1946 figure. However, exports of tobacco products from Britain probably will be a little lower than in 1953.

Gross clearances from bond, which mainly indicate the quantity of tobacco going into home consumption and exports on a combined basis, were 1.1 percent higher in January-August 1954 than in the same months of 1953. Domestic consumption rose 3 percent between the same periods. The January-August 1954 gross clearances of United States flue-cured (accounting for 48 percent of total tobacco) were 1.2 percent smaller than a year earlier but gross clearances of Southern Rhodesian and Canadian flue-cured (accounting for 20 and 9 percent of total tobacco) increased 6.0 and 14.2 percent, respectively. Gross clearances of Indian flue-cured (accounting for 10 percent of total tobacco) declined 1.0 percent. Flue-cured tobacco clearances probably constituted over seven-eighths of the total clearances of all types. There was no change in the gross clearances of Nyasaland fire-cured from January-August 1953 to January-August 1954. There were small declines in the India and Nyasaland air- and sun-cured and oriental Turkish but a little increase in oriental Greek tobacco.

Imports of unmanufactured tobacco during January-October 1954 were 6 percent smaller than in the same period of 1953. Approximately nine-tenths of the total was flue-cured. Tobacco imports from the United States were 18 percent lower, largely because of the unusual shipping circumstances that raised the 1953 figure. Imports from Southern Rhodesia during the first 10 months of 1954 were about the same as in the same period of 1953; but from Canada, India, and Nyasaland, they were 5, 21, and 44 percent higher, respectively, than a year earlier.

Stocks of tobacco in the United Kingdom at the end of September 1954 totaled 409 million pounds--2.4 percent below a year earlier. At the end of August 1954, total stocks were 391 million pounds and stocks of United States flue-cured in the United Kingdom were 149 million pounds--5 percent lower than at the end of August 1953. At the same time, stocks of flue-cured from the Commonwealth countries, Southern Rhodesia, India, and Canada totaled 176 million pounds--1 $\frac{3}{4}$ percent larger than a year earlier.

Table 7.- United Kingdom tobacco: Stocks, imports, consumption and exports, for specified periods

Period	Stocks Dec. 31	Imports ^{1/}		Retained for home consumption		Exports of manu- factured tobacco	Re-exports of un- manufac- tured tobacco
		Total	From United States	Non- prefer- ential ^{2/}	Prefer- ential ^{2/}	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:							
1934-38	497	275	213	132	39	171	12
1939-43	330	237	157	153	60	213	5
1944	243	230	180	173	47	220	1
1945	278	369	310	183	48	231	14
1946	383	433	366	193	55	248	7
1947	384	296	201	173	51	224	1
1948	390	281	172	153	61	214	1
1949	419	302	154	139	72	211	2
1950	445	306	144	132	82	214	4
1951	498	355	212	130	91	221	7
1952 ^{3/}	430	224	67	121	97	218	12
1953 ^{3/}	452	316	174	120	104	224	9
Jan.-Oct.							
1952	4/441	190	54	5/89	5/72	5/161	9
1953 ^{3/}	4/419	243	129	5/90	5/77	5/167	8
1954 ^{3/}	4/409	229	106	5/89	5/82	5/171	3

^{1/} Unmanufactured tobacco: Imports of manufactured tobacco products have been generally small relative to imports of unmanufactured tobacco. ^{2/} Tobacco imported from nonpreferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate. ^{3/} Subject to revision. ^{4/} September 30. ^{5/} January-September.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

Table 8.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	January-September						
	Average	Average	1952	1953	1953	1954	1954 as
	1934-38	1947-51	1/	1/	1/	1/	percent- age of 1953
	Million	Million	Million	Million	Million	Million	Percent
	pounds	pounds	pounds	pounds	pounds	pounds	
Cigarette leaf							
Unstemmed							
Turkey	18.2	46.9	55.0	56.9	42.9	42.5	99
Greece	18.8	9.3	14.5	14.3	10.9	11.8	108
Syria	.5	3.8	3.7	3.3	2.5	2.3	92
So. Rhodesia	2/	1.1	.6	.3	.2	.1	50
Yugoslavia	5	.4	.8	1.4	1.1	1.7	155
Total 3/	44.4	67.2	75.9	78.0	58.8	60.2	102
Cigar leaf (filler)							
Cuba							
Stemmed	7.1	12.1	9.9	9.7	7.5	7.1	95
Unstemmed	4.1	4.4	4.0	4.4	3.4	3.6	106
Philippines, Rep.							
Stemmed	4/	.1	1.9	.5	.2	2/	---
Unstemmed	4/	.2	.2	2/	2/	.0	---
Total 3/	11.3	16.8	16.0	14.7	11.2	10.8	96
Scrap							
Cuba	2.9	5.2	8.1	8.9	6.8	7.3	107
Philippines, Rep.	4/3.2	.4	1.2	2.3	2.0	1.1	55
Total 3/	6.1	5.6	9.4	11.2	8.9	8.4	94
Cigar wrapper (unst.)							
Indonesia	5/1.9	.8	.8	.4	.3	.3	100
Cuba	.2	.3	.3	.4	.3	.4	133
Total 3/	2.1	1.1	1.1	.9	.7	.7	100
Total imports 6/	66.3	91.5	102.9	105.4	80.0	81.0	101

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Includes relatively small quantities from other countries not separately listed. 4/ Reported as leaf in 1934-35 and as scrap in 1936-38. 5/ From Netherlands Indies or Netherlands. 6/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

Compiled from publications and records of the United States Department of Commerce.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Imports of foreign grown tobacco into the United States during 1954 seem likely to be near the record 105 million pounds imported in 1953. During the first 9 months of 1954, cigarette leaf imports for consumption (accounting for over three-fourths of the total) were a little ahead of the same period of a year earlier. There was slightly less from Turkey but more came in from Greece and Yugoslavia. Stocks of foreign grown cigarette and smoking tobacco in the United States on October 1 were 149 million pounds-- $8\frac{1}{2}$ percent lower than a year earlier and the lowest in 4 years.

Imports of cigar filler and scrap constitute the major proportion of non-cigarette leaf exports. The January-September 1954 imports of both categories were a little below the same period of 1953. There was less stemmed filler but more unstemmed filler and scrap from Cuba. Scrap from the Philippines was sharply below that in the first 9 months of 1953. Stocks of Cuban tobacco in the United States on October 1 were 15 million pounds--about 6 percent less than a year earlier and about 9 percent lower than the October level of the 3 years preceding that. Stocks of Philippine tobacco on October 1 were near 1.7 million pounds--one-sixth lower than a year earlier but well above the low figure of 2 years earlier.

Imports of cigar wrapper during January-September 1954 were slightly larger than in the same period of a year earlier--the main sources being Cuba and Indonesia. Stocks of Sumatra and Java tobacco in the United States on October 1 were 356,000 pounds--slightly more than a year earlier but only about one-half that of 2 years earlier. In the October 1 stocks of Cuban tobacco, a larger quantity fell within the wrapper group than a year earlier.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Prices

The 1954 auction market season average price for gross sales (includes resales) was 52.1 cents per pound--slightly less than in 1953. Marketings were practically completed by the end of December but a few sales in one or two markets will be held in January. Prices in the type 11(a) and 11(b) markets averaged well above the comparatively low levels of 1953, when substantial proportions of the marketings were of low quality. In types 12, 13, and 14, price averages were below the record levels of last season with the sharpest declines (nearly 10 percent) occurring in the South Carolina Border belt and in the Georgia-Florida belt. There was more lower quality tobacco in those areas than in 1953.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 9.- Flue-cured tobacco: Volume of gross sales (includes resales) and average price, by belt, 1947-54

Marketing season	Old Belt type 11(a)	Middle Belt type 11(b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All belts
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1947	278	176	483	299	171	1,407
1948	256	157	392	258	134	1,197
1949	243	137	406	283	155	1,224
1950	315	171	448	302	142	1,378
1951	312	187	527	357	192	1,575
1952	328	177	488	333	180	1,506
1953	254	138	480	348	192	1,412
1954 <u>1/</u>	<u>2/288</u>	160	523	309	188	1,468
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
1947	38.1	42.2	43.0	41.9	37.8	41.1
1948	49.2	50.1	49.3	50.5	47.2	49.4
1949	45.5	47.7	48.8	48.9	40.1	46.9
1950	53.4	56.2	56.5	55.4	48.1	54.6
1951	50.4	53.8	55.1	51.9	46.3	52.2
1952	48.4	49.4	50.5	51.9	49.2	50.1
1953	42.0	47.0	57.1	56.7	51.1	52.5
1954 <u>1/</u>	<u>2/51.9</u>	52.3	54.7	51.2	46.4	52.1

1/ Preliminary.2/ For sales through December. Marketings are practically completed but a few sales will be held in January.

In Georgia-Florida markets, prices for several better grades were a little higher than last season but for many medium and poorer grades, auction bids averaged lower than in 1953. In the type 13 and 12 markets, prices for nearly all grades were a little lower than in the 1953 season. While prices of many better grades in the Middle and Old Belts were a little lower than a year earlier, many medium and below average grades brought higher prices than a year ago.

The Government support level for 1954 flue-cured was 47.9 cents per pound--the minimum announced in April 1954. This became the effective support level since the calculated level at the beginning of the marketing season was slightly lower and the law provides that the higher of the two shall be the effective support level.

The price support level for the 1955 crop will be 90 percent of parity. When a marketing quota is in effect on flue-cured tobacco, this level is mandatory. The base price for calculating the 1955 flue-cured parity is likely to be almost unchanged. If the parity index (prices paid by farmers for commodities, interest, taxes, and wages) continues near the current level, the 1955 support level would be fairly close to that of 1954.

The quantity of flue-cured placed under Government loan in the 1954 season totaled about 130 million pounds--nearly 10 percent of the crop. In the 1953 season, about 12 percent of the crop went under loan. Larger quantities than in each of the 2 previous years went under Government loan in the Georgia-Florida and South Carolina Border belts; but in the Old and Middle belts, the quantities placed under loan were the smallest in 4 seasons. In the Eastern belt, substantially more went under loan than in 1953 but still much less than the unusually large amount of 1952.

Total flue-cured in Government loan stocks at the end of November was about 336 million pounds (farm-sales weight). About 35 percent was 1954 crop tobacco; 40 percent, 1953 crop; 19 percent 1952 crop; and 6 percent, 1951 crop.

Table 10.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/	Average		
				Domestic:Exports:	price per		
				Total : 2/ : 2/ :	pound		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1939-43	837	1,358	2,194	788	512	276	27.6
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	667	485	43.6
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953 2/	1,272	1,852	3,124	1,209	778	431	52.8
1954 2/	1,334	1,915	3,249				

1/ Year beginning July 1.

2/ Subject to revision.

Supplies

The 1954-55 total supply of flue-cured tobacco is 3,249 million pounds--4 percent larger than for 1953-54. The 1954 crop at 1,334 million pounds was nearly 5 percent above 1953 and the fourth largest on record. In 1953 drought cut the yields in the Old and Middle belts of Virginia and North Carolina, and in 1954 dry weather sharply reduced yields in South Carolina. The carryover at the outset of 1954-55 was a record 1,915 million pounds--over 3 percent above a year earlier.

The 1955 marketing quota announced in late November results in an acreage allotment of 1,009,000 acres (including reserve for adjustments) compared with 1,053,000 allotted in 1954. Most farms will have acreage allotments about 5 percent smaller than in 1954. If yields per acre are near the average of recent years, the 1955 crop would approximate about 1,270 million pounds--5 percent less than in 1954. This size crop, together with an expected carryover next July 1 of about 1,985 million pounds, will provide a total supply of approximately 3,255 million pounds for 1955-56. Such a supply would differ little from the 1954-55 level.

Domestic Use and Exports

During the current marketing year (July 1954-June 1955), the domestic use of flue-cured seems likely to be around 785 million pounds. Although above the 778 million of 1953-54, this still would be less than the record 1952-53 level. The main outlet for flue-cured is cigarettes, production of which is expected to stay near the 1953-54 level.

Exports of flue-cured are expected to total between 460 and 475 million pounds (farm-sales weight) compared with 431 million in 1953-54. More is expected to go to Britain, the leading outlet. During the first third of the 1954-55 marketing year, total flue-cured exports were about 10 percent more than in the comparable period of 1953-54. Among leading outlets, the United Kingdom, Ireland and Australia got more but West Germany, Netherlands, Indonesia, and the Philippines got less in July-October 1954 than in the same period of 1953. Several other importing countries that usually take smaller but still significant quantities took less than a year earlier but France, New Zealand, Norway, Denmark, India, and Pakistan, each got more. Shipments of United States flue-cured during October 1954-June 1955 probably will be larger than in the same period of 1953-54, reflecting the substantial purchases made in September-November period. Also operations under the trade assistance program will be more fully under way.

Increased competition from Rhodesian flue-cured is evidenced in the larger exports from that area during the first 8 months of 1954 to Britain, Australia, Denmark, Netherlands, Belgium, and Egypt than in the same period of 1953.

Burley, Type 31

Prices

Burley auction markets began on November 30 and by December 21, gross sales (includes resales) totaled 457 million pounds at an average of 50.9 cents per pound. Prices averaged 5 percent less than in the comparable period of 1953. For the 1953 crop as a whole, growers received a record 52 1/2 cents per pound. Markets will close for the holiday period on December 21 and sales will resume on January 4.

The Government support level is 46.4 cents per pound--one-fifth of a cent lower than for the 1953 crop. The 46.4 cents per pound is the minimum announced in April 1954. This became the effective support level since the calculated level at the beginning of the marketing year was a little lower than this and the law provides that the higher of the two shall be the effective support level.

The price support level for the 1955 crop will be 90 percent of parity. When a marketing quota is in effect on Burley tobacco, this level is mandatory. The adjusted base price for calculating the 1955 Burley parity is expected to show little change. If the parity index (prices paid by farmers for commodities, interest, taxes, and wages) continues near the current level, the 1955 support level for Burley would be slightly lower than the 1954 level.

The Burley placed under Government loan in the 1954 season through December 17 constituted about 117 million pounds--about 30 percent of deliveries. This compares with about 14 percent in the comparable period of 1953. Of the entire 1953 crop, nearly 18 percent went under loan.

Total Burley in Government loan stocks (not including any 1954 crop tobacco) at the end of November was about 224 million pounds (farm-sales weight). About 45 1/2 percent was 1953 crop tobacco; 29 1/3 percent, 1952 crop; 24 1/3 percent, 1951 crop; and the remaining less than 1 percent, 1950 crop.

Supplies

The 1954-55 total supply of Burley tobacco is 1,815 million pounds--5 percent larger than for 1953-54. The 1954 crop at 617 million pounds was 9 percent larger than in 1953 despite the 4 percent drop in acreage. The yields per acre are estimated to average 1,528 pounds, up nearly 14 percent from last year and the highest on record. The average yields for Burley in Kentucky and five other significant producing States topped any previous year. In Tennessee the yield was 8 1/2 percent higher than in 1953 and the second highest on record. The carryover at the outset of 1954-55 was a record 1,198 million pounds--nearly 3 percent above a year earlier.

The 1955 marketing quota announced in late November results in an acreage allotment of 362,000 acres (including reserve for adjustments) compared with 399,000 allotted in 1954. Individual farm allotments will average about 10 percent less than in 1954 except that those for farms with a Burley allotment of seven-tenths of an acre or less will not be reduced. If yields per acre are near the average of the last 3 or 4 years, 1955 production would total around 510 million pounds--17 percent less than the estimated 1954 crop. A crop of this size, together with a carryover next October 1 that may approximate 1,235 million pounds, would provide a total Burley supply of about 1,745 million pounds for 1955-56. This would be 4 percent lower than the record 1954-55 level but a little above the 1953-54 level.

Domestic Use and Exports

During the current marketing year (October 1954-September 1955), total disappearance of Burley may be 10 or 15 million pounds above the 529 million pounds in 1953-54.

Table 11.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/	Average		
			Total	Domestic	Exports	price per	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	2/	2/
							Cent
Average							
1934-38	287	701	988	314	302	12	22.2
1939-43	369	737	1,106	376	368	8	30.0
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953 2/	564	1,163	1,727	529	494	35	52.5
1954 2/	617	1,198	1,815				

1/ Year beginning October 1.

2/ Subject to revision.

The 1953-54 domestic use of Burley totaled about 494 million pounds--about 5 percent less than the record 1952-53 quantity. This reflected mostly the decline of cigarettes, the main outlet, and also of smoking tobacco. Plug, twist, and fine-cut, chewing tobacco output changed only to a small extent. The 1953-54 Burley exports were a little more than $34\frac{1}{2}$ million pounds--about one-fifth above the 1952-53 figure, which was the lowest in the last 6 years. The three top ranking outlets were Portugal, Germany, and Mexico, each of which got more than a year earlier. Belgium ranked fourth, getting a little less than in 1952-53. The next ranking three--Italy, Netherlands, and France--each took considerably more in 1953-54 than in 1952-53. Among other countries, Sweden, Philippine Republic, Switzerland, Yugoslavia, Denmark, and Austria took less; Egypt and Norway about the same; but there was a relatively substantial increase to Finland.

Maryland, Type 32

Prices

The Maryland tobacco crop will go to auctions next spring and summer. Auction markets usually open in May and run until sometime in August. Around one-tenth of the Maryland crop has been selling in the Baltimore hogshead market in recent years. Maryland growers received 54.5 cents for their 1953 crop--nearly 12 percent more than for their 1952 crop. The Government support level for the 1953 crop was 50.4 cents per pound. Since the proclaimed quota on the 1954 crop was not approved by a two-thirds majority, no quota was in effect and prices for the 1954 crop will not receive Government price support.

On December 17 of this year, growers voted with respect to a quota on their 1955 crop. Since less than the legally-required majority favored quotas it will not be in effect nor will there be Government price support on the 1955 crop.

About 6.7 million pounds-- $16\frac{1}{2}$ percent of the 1953 Maryland crop--was placed under Government loan. Total Maryland tobacco in Government loan stocks on November 30 was 13.2 million (farm-sales weight). About $48\frac{1}{2}$ percent was 1953 crop tobacco; $33\frac{1}{2}$ percent, 1950 crop; 7 percent, 1949 crop; and 11 percent, 1948 crop.

Supplies

The 1954 crop of Maryland tobacco is estimated at $42\frac{1}{2}$ million pounds--5 percent larger than the 1953 crop and the second largest on record. Acreage increased an estimated 11 percent from 1953 to 1954 but average per acre yields dropped $5\frac{1}{2}$ percent. Manufacturers' and dealers' stocks on October 1, 1954, were 76.7 million pounds--about 4 million larger than a year earlier. The carryover stocks on January 1, 1955, probably will be about 69 million pounds and, together with the 1954 crop,

Table 12.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)								
Year	Production	Stocks Oct. 1	Production plus Oct. 1 stocks	Disappearance Total	Disappearance Domestic 2/	Disappearance Exports 2/	Average price per pound	Stocks following Jan. 1 3/
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents	Mil.lb.
Average								
1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7	38.4
1939-43	29.1	49.2	78.3	28.3	26.1	2.2	37.2	43.2
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5	37.6
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0	46.5
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5	32.4
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8	44.9
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4	46.9
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3	45.5
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.2	53.4
1951	41.6	64.3	105.9	33.3	26.7	6.6	44.8	59.3
1952	40.2	72.6	112.8	40.2	32.4	7.8	43.8	64.9
1953 2/	40.5	72.6	113.1	36.4	23.4	8.0	54.5	65.4
1954 2/	42.5	76.7	119.2					

1/ Year beginning October 1. 2/ Subject to revision. 3/ Public Law 464--82nd Congress (an amendment to previous Agricultural legislation) provides that for the purposes of marketing quotas and when in effect, the sliding-scale price support, the carryover and total supply of Maryland tobacco shall be computed as of January following the beginning of the marketing year--defined as the October-September 30 period.

will provide a total 1954-55 supply 3/ of over 111 million pounds--roughly 5 million more than for 1953-54.

In the December 17 referendum, 51 percent of Maryland tobacco growers voting approved a marketing quota on their 1955 crop but since the legal requirement is two-thirds majority no quota will be in effect

3/ In 1952, the Congress amended the Agricultural Adjustment Act of 1938 to provide that for the purposes of marketing quotas and, when in effect, the sliding scale price supports, the carryover and total supply of Maryland tobacco would be computed on the basis of January 1 following the beginning of the marketing year instead of on the basis of October 1, as previously. Inasmuch as the definition of the marketing year, itself, was not changed, statistical table 12 indicates disappearances in the usual way, on the October-September basis.

on the 1955 crop. If Maryland growers plant and harvest an acreage equal to the 1950-54 average of 49,600 in 1955, and yields equal to 830 pounds per acre (about the recent 5 year average), the crop would be approximately 41 million pounds-- $3\frac{1}{2}$ less than the 1954 crop. If 1955 acreage should hit the 1951 peak of 53,000 acres and yields average 830 pounds, the 1955 crop would be 44 million pounds-- $3\frac{1}{2}$ percent--above 1954.

Domestic Use and Exports

Total disappearance of Maryland tobacco during October 1953-September 1954 was 36.4 million pounds-- $9\frac{1}{2}$ percent less than in 1952-53. Domestic use is mainly in cigarettes but some lower grades go into low-priced cigars. The 1953-54 domestic use at 28.4 million pounds was one-eighth lower than the record 1952-53 quantity.

The 1953-54 exports, at 8 million pounds, were slightly higher than 1952-53 and accounted for over one-fifth of total disappearance. Switzerland, although taking 63 percent of total Maryland tobacco exports in 1953-54, got 8 percent less than a year earlier. Quantities going to Germany, Spain, and Belgium showed sharp relative increases over 1952-53 but exports to Netherlands, Yugoslavia, and French Morocco were smaller. A sizable quantity went to Tunisia in contrast to none reported in 1952-53.

Fire-Cured, Types 21-23

Prices

Auctions for Virginia fire-cured (type 21) began on November 29. For sales through December 16, prices averaged 34.3 cents per pound--1 percent below the comparable period of a year earlier. Prices for most grades tended to be lower but offerings included a larger proportion of better quality grades than last year. The auctions for Kentucky-Tennessee fire-cured begin early next month--January 3 for type 23 and January 4 for type 22.

The Government support level for 1954 fire-cured tobacco is 34.8 cents per pound--one-fifth of a cent lower than last season. As provided by law, price supports for fire-cured are calculated at 75 percent of the Burley support level.

On December 14, growers of fire-cured tobacco voted about 95 percent in favor of quotas on their next three crops. The approval of quotas assures price support on the 1955 crop of fire-cured. The level would be a little less than this year's since the Burley support level would be a little lower if the parity index continues near the current level.

Through mid-December, about 16 percent of the 1954 crop deliveries of Virginia fire-cured were placed under Government loan. About 6 percent went into loan in the comparable period of last season. For the last season as a whole, 7 percent of type 21, 18 percent of type 22, and 23½ percent of type 23 went into Government loan. Total fire-cured tobacco reported in Government loan stocks (not including any 1954 crop tobacco) at the end of November amounted to about 46 million pounds (farm-sales weight). About 15 percent was 1953 crop; 17 percent, 1952 crop; 10 percent, 1951 crop; 19 percent, 1950 crop; and the remaining 39 percent, from the 1946-49 crops.

Supplies

The 1954-55 total supply of fire-cured tobacco is 194½ million pounds--slightly less than for 1953-54 and about 5 percent smaller than for 1952-53. The 1954 production at 60½ million pounds was considerably larger than the drought-reduced 1953 production. Crops of each of the three types were larger than a year earlier and for types 22 and 23, production was largest in 5 years. The carryover of fire-cured tobacco at the beginning of 1954-55 was 134 million pounds--about 8 percent lower than at the beginning of each of the 2 preceding years. The decline in carryover stocks in the last 2 years was principally in the Kentucky-Tennessee types.

Table 13.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/ Total	Domestic	Exports	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939-43	82.4	165.2	247.6	74.9	53.5	21.4	14.9
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953 2/	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954 2/	60.5	134.0	194.5				

1/ Year beginning October 1. 2/ Subject to revision.

Since growers of fire-cured tobacco approved marketing quotas for the next three crops in their December 14 referendum, acreage allotments totaling about 50,500 acres will be in effect for 1955. Allotments on most farms will be about 10 percent less than in 1954. About 90 percent of the 1954 allotted acreage was planted. If a little larger proportion of the smaller 1955 allotted acreage is grown and yields per acre are near the recent 5-year average (omitting the severe drought year 1953), the 1955 production of fire-cured will be about 55 million pounds. This would be 9 percent less than in 1954. A crop of this size, together with a carryover next October 1 of probably around 132 million pounds, would provide a total supply of about 187 million pounds--a decrease of 4 percent from the 1954-55 level.

Domestic Use and Exports

During the current marketing year (October 1954-September 1955), total disappearance of fire-cured tobacco may be a little more than the 62 million in 1953-54. Domestic use is expected to stay about the same but exports may increase some.

The 1953-54 domestic use of fire-cured at 33 million pounds was up about 3 million from the low of a year earlier. Snuff, the major domestic outlet, gained a little in 1953-54 over 1952-53. Exports of fire-cured during 1953-54 at a little over 28 million pounds (farm-sales weight) were almost 1 million pounds smaller than in 1952-53. Exports of both Virginia and Kentucky-Tennessee fire-cured tobacco declined a little. Norway, accounting for 44 percent of the total exports of the Virginia fire-cured, got about 4 percent less than in 1952-53. Sweden, Switzerland, Netherlands, Australia, and New Zealand, each took a little more but Austria, United Kingdom, and Germany took less. Leading destinations for exports of Kentucky-Tennessee fire-cured in 1953-54 were France and Netherlands, accounting for 28 and 21 percent of the total shipments. French takings were 3-1/3 times the low figure of 1952-53 but Netherlands took an 18 percent smaller quantity in 1953-54 than in the preceding year. Also considerably less went to the third ranking outlet, Switzerland. Among other countries, increases occurred in exports to Denmark, Belgium, Germany, French West Africa, Belgian Congo, and Indonesia. There were relatively sharp declines in exports of Kentucky-Tennessee fire-cured between 1952-53 and 1953-54 to Sweden, Norway, Ireland, Italy, and the Gold Coast and to a lesser extent to the United Kingdom. Spain took none in 1953-54 in contrast to nearly 2 million pounds in 1952-53.

Dark Air-Cured, Types 35-37

Prices

The first auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured, types 35 and 36) began on December 2 and 7, respectively. For sales through December 20, type 35 prices averaged 32.9 cents per pound and type 36 prices averaged 34.7 cents per pound. They were about 8 and 12 cents higher than the comparable early season

prices last season, when there was a larger proportion of lower quality tobacco. Auctions for Virginia sun-cured (type 37) opened November 30 and for sales through December 17, prices averaged 32.2 cents per pound--1 percent higher than for early season sales last year.

The Government support level for 1954 dark air-cured and sun-cured tobacco is 30.9 cents per pound--one-fifth of a cent less than last season. As provided by law, price supports for these types are calculated at 66-2/3 percent of Burley support level.

In the fall of 1952, growers of Virginia sun-cured approved quotas on their 1953, 1954, and 1955 crops. This year on December 14, growers of the Kentucky-Tennessee (types 35-36) voted about 94 percent in favor of quotas on their next three crops. The approval of quotas assures price support on the 1955 crops of these types. The level probably may be a little less than this year's since the Burley support level would be a little lower if the parity index continues near the current level.

Through mid-December, about 27 and 16 percent of the 1954 crop deliveries of types 35 and 36 were placed under Government loan. About 37 percent of type 35 and 21 percent of type 36 went into loan during the entire 1953 season. The type 37 loans through mid-December were about 2 percent of deliveries and for last season as a whole, they amounted to less than 1 percent.

Total dark air-cured tobacco in Government loan stocks at the end of November were about 36 million pounds (farm-sales weight). About 20 percent was 1953 crop; 24½ percent, 1952 crop; 18 percent, 1951 crop; 8½ percent, 1950 crop; and the remaining 29 percent, from the 1947-49 crops.

Supplies

The 1954-55 total supply of dark air-cured and sun-cured tobacco is almost 108 million pounds--2 percent larger than for 1953-54. The 1954 crops of the three types totaled almost 32 million pounds--over 5 million more than the drought-reduced 1953 production, which was a near-record low. The One Sucker and Green River crops were about 14 and 22 percent larger than in 1953 but the Green River crop was nevertheless the second smallest on record. The Virginia sun-cured crop was well above 1953 and the largest since 1928. The carryover of these types totaled nearly 76 million pounds--about 3 million lower than a year earlier. Most of the drop in 1953-54 occurred in the stocks of Green River, type 36.

Since growers of the dark air-cured types 35-36 approved marketing quotas for the next three crops in their December 14 referendum, acreage allotments totaling about 20,950 acres will be in effect for 1955. Allotments on most farms will be about 10 percent smaller than in 1954. The 1955 Virginia sun-cured allotments total about 5,750 acres and for most farms, will be about the same as in 1954. Taking into account the probable percentage of the total allotments that will be planted and recent

average yields (adjusted for the extreme lows for some years), it seems likely that the 1955 production of types 35-37 will be around 29 million pounds--a drop of about 9 percent from the 1954 level. Such a 1955 production plus a probable carryover next October 1 of about 76 million pounds would provide a total 1955-56 supply of 105 million pounds--a decrease of about 3 percent from the 1954-55 level.

Table 14.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

Year	(Farm-sales weight)						
	Production	Stocks,	Supply	Disappearance 1/		Average	
		Oct. 1		Total	Domestic	Exports	price per
	Million	Million	Million	Million	Million	Million	pound
	pounds	pounds	pounds	pounds	pounds	pounds	Cents
Average:							
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939-43	36.7	65.1	101.8	36.4	31.9	4.5	13.9
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953 2/	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954 2/	31.9	75.8	107.7				

1/ Year beginning October 1.

2/ Subject to revision.

Domestic Use and Exports

During the current marketing year (October 1954-September 1955), total disappearance of types 35-37 tobacco is expected to be about the same or perhaps a little more than the nearly 30 million pounds in 1953-54.

In 1953-54 domestic use of types 35-37 at 22 $\frac{3}{4}$ million pounds was practically the same as in 1952-53. The increase in domestic use of One Sucker about offset the decreases for Green River and Virginia sun-cured. There was comparatively little change in the output of the chewing tobacco categories that are the main outlet for these types.

Exports of dark air-cured and sun-cured tobacco in 1953-54 totaled a little over 7 million pounds (farm-sales weight). About 46 percent of the exports was in the form of Black Fat, which increased 19 percent from 1952-53 to 1953-54. Nigeria, the destination for over one-half of the exports of Black Fat, got 25 percent more than in 1952-53. About one-tenth less than in 1952-53 went to the Gold Coast, second ranking outlet, but there was a sizable increase to French West Africa. The 1953-54 exports of One Sucker leaf were one-fifth less than a year earlier and a postwar low. Nigeria, the leading outlet, took much less and also Belgium, but a sizable quantity went to France in contrast to none reported as going there in 1952-53. The 1953-54 exports of Green River leaf were 19 percent larger than in 1952-53. Over one-half of it went to the United Kingdom, which took only slightly less than a year earlier. Netherlands, the second ranking outlet, got more and also France and Belgium took sizable quantities in contrast to none or virtually none in 1952-53.

Cigar, Types 41-62

Prices

Most cigar tobacco is sold at the "barn door" during the fall and winter. This year in the Connecticut Valley, buying began about mid-November--some later than in the last year or two. Purchases of the Broadleaf, type 51, was brisk and prices of injury-free crops probably averaged close to the 57 cents a pound of last year. Some remained unsold at last report. There was considerable damage to Connecticut Valley tobacco from hail and hurricane during the 1954 season. Buying of crops of Havana Seed has followed an irregular pattern. Early sales of injury-free Havana Seed appeared to have brought about 60 cents per pound and following that, some buying occurred at around 50 cents per pound. Then buying practically halted. There is a substantial proportion of "stemming tobacco" in this year's crop. This sells at low prices and will reduce the over-all price average more than usual. The growers' cooperative is receiving tobacco in connection with the 1954 price-support operations.

Purchases of the Wisconsin binder types usually begin in early January. The Government support levels for the 1954 crops of the eligible cigar types are shown in table 15.

For the 1955 crops, prices of the cigar filler and binder types 42-44 and 51-55 will be supported at 90 percent of parity. The price support for the Puerto Rican crop is usually announced in early October since there the crop is planted late in the year and harvested and sold in the first half of the following year. The 1955 crop of Pennsylvania filler tobacco (type 41) will not receive Government price support since in the December 17 referendum, growers voted about 88 percent against quotas.

The quantity of cigar tobacco under Government loan or in CCC inventories at the end of November was about 10½ million pounds--6.7 million, type 54 (Southern Wisconsin); 1.6 million, type 55 (Northern Wisconsin); 1.2 million, type 52 (Connecticut Valley Havana Seed); 9 million, type 51 (Connecticut Valley Broadleaf); and about 137,000 pounds, types 42-44 (Ohio filler).

Table 15.- Cigar tobacco types 41-62: Government loan levels, season average prices--1953-54

Type	1953 loan level	1953 season average	1954 loan level
	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	<u>1</u> /	27.5	<u>1</u> /
Ohio cigar filler, types 42-44	25.4	18.5	25.1
Puerto Rican filler, type 46	32.4	29.0	32.6
Conn. Valley Broadleaf binder, type 51	53.4	58.5	53.8
Conn. Valley Havana Seed binder, type 52	51.2	54.9	51.5
N. Y. and Pa. Havana Seed binder, type 53	26.1	23.4	25.7
Southern Wis. binder, type 54	25.4	24.3	25.1
Northern Wis. binder, type 55	32.0	31.9	31.9
Conn. Valley shade-grown wrapper, type 61	<u>2</u> /	205.0	<u>2</u> /
Ga.-Fla. shade-grown wrapper, type 62	<u>2</u> /	195.0	<u>2</u> /

1/ Government price support not in effect on type 41.

2/ Mandatory loans not applicable.

Supplies

Filler: The 1954-55 total supply of continental filler types 41-44 is 180½ million pounds--over 3 percent smaller than for 1953-54 and the smallest on record. The 1954 crops of Pennsylvania and Ohio filler totaled nearly 51 million pounds--25 percent larger than the 20-year low of 1953. The Pennsylvania crop (about five-sixths of the total continental filler) increased 24 percent from 1953 to 1954. Acreage was only 8 percent greater, but yields per acre were indicated to be nearly 15 percent heavier than in 1953 and the highest on record. The carryover of continental filler types was 130 million pounds--11 percent less than a year earlier and the lowest in 6 years.

Table 15.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

Type and year	(Farm-sales weight)				
	Production	Stocks	Supply	Disappearance	Average
		Oct. 1		year beginning	price per
		Oct. 1		Oct. 1	pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44					
Average:					
1934-38 1/	48.9	159.9	208.8	54.4	10.4
1939-43 1/	60.0	154.1	214.0	59.3	13.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.5	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.1	25.2
1951	63.0	157.4	220.4	59.4	19.6
1952	44.5	161.0	205.5	59.0	25.2
1953 2/	40.4	146.5	186.9	57.1	26.1
1954 2/	50.7	129.8	180.5		
Binder types 51-55 3/					
Average:					
1934-38	41.8	165.1	206.9	60.5	12.5
1939-43	59.3	130.6	190.4	61.4	19.7
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.6	35.8
1951	49.8	142.5	192.3	57.5	38.1
1952	47.0	134.8	181.8	56.6	38.6
1953 2/	47.4	125.2	172.6	52.8	44.7
1954 2/	47.0	119.8	165.8		

1/ Includes small quantity of type 45. 2/ Subject to revision.
 3/ Includes small quantity of type 56 through 1948.

The 1954-55 supply of Puerto Rican filler, type 46, probably will be lower than for 1953-54. Based on estimated plantings and the average yield per acre of recent years, the 1954-55 Puerto Rican crop would be around 29 million pounds--about 15 percent less than the 1953-54 figure. The Puerto Rico Department of Agriculture and Commerce estimates the 1954-55 acreage to be 18 percent less than 1953-54. The carryover of Puerto Rican tobacco on October 1 was 48 1/2 million pounds--3 percent larger than a year earlier. Compared with October 1953, the stocks held in the United States were 24 percent larger while those on the Island, were 12 percent smaller.

Binder: The 1954-55 total supply of binder types 51-55 is near 167 million pounds--3 1/3 percent lower than for 1953-54 and the smallest since 1945-46. The 1954 production of all binder types combined at 47 million pounds was practically the same as in 1952 and 1953 and the lowest since 1936. The production of the Wisconsin types 54 and 55 increased 8 and 14 percent. The Connecticut Valley types 51 and 52 production decreased 10 and 9 percent. Hail and hurricane reduced the 1954 Connecticut Valley outturn. The carryovers of all binder types combined dropped to about 120 million pounds--4 percent below a year earlier and the smallest since 1946. The major declines in the binder stocks were in the Wisconsin types. There was little change from a year earlier in the Connecticut Valley Havana Seed (type 52) stocks but some increase in Broadleaf (type 51).

Cigar Filler and Binder
Types 42-44 and 51-55
Marketing Quota

In October 1953, growers of the continental cigar filler and binder types 42-44 and 51-55 approved marketing quotas on their 1954, 1955, and 1956 crops. On November 26, the Department of Agriculture announced a 1955 marketing quota for these types, which results in 1955 acreage allotments of approximately 47,700 acres. The 1954 acreage allotted totaled 46,800 acres. The 1954 harvested acreage is estimated at 34,000 acres. If a moderately larger proportion of the total allotment for the binder types is planted than in 1954 and yields per acre are near the recent 5-year average, the 1955 production of the binder types would be about 50 million pounds--5 or 6 percent larger than in 1954. For continental filler, the production in Pennsylvania, where no quota is in effect, will be the major determinant. The 1955 Ohio filler allotments are practically the same as 1954.

Cigar Wrapper Supplies

The 1954-55 total supply of cigar wrapper (shade-grown, types 61-62) is 34 1/2 million pounds--up slightly from 1953-54. The 1954 production was 16.3 million pounds, the largest in 5 years. Compared with 1953, there was a 5 percent decline in the size of the Connecticut Valley (type 61) crop but a substantial relative increase in the Georgia-Florida (type 62)

crop. Although type 61 acreage increased nearly 4 percent from 1953 to 1954, the yield per acre averaged 9 percent smaller than the 1953 record high. For type 62 acreage rose about 9 percent from 1953 to 1954 and yields per acre were the highest in history. The July 1 carryover of types 61-62 totaled 18.2 million pounds--down more than 1 million from a year earlier and the smallest in 5 years. Although there was some increase in the July 1 type 61 carryover over a year earlier, this was more than offset by the decline in type 62 carryover. The October 1, 1954, stocks of types 61 and 62 owned by dealers and manufacturers were about 8 and $4\frac{1}{2}$ percent lower than a year earlier.

Table 17.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)					
Type and year	Production	Stocks, July 1	Supply	Disappearance: year beginning July 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Wrapper types 61-62					
Average					
1934-38	8.4	11.8	20.2	9.3	78.3
1939-43	10.0	12.5	22.6	9.2	108.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	209.0
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950	15.5	19.4	34.9	14.9	203.0
1951	14.9	20.0	34.9	13.7	194.0
1952	14.7	21.2	35.9	16.6	198.0
1953 <u>1/</u>	14.8	19.3	34.1	15.9	202.0
1954 <u>1/</u>	16.3	18.2	34.5		

1/ Subject to revision.

Domestic Use and Exports

The total disappearance of Pennsylvania and Ohio filler in the 1953-54 marketing year at 57 million pounds was around 2 million less than in each of the 2 preceding years. The great bulk of total disappearance was accounted for by domestic manufactures of cigars. Exports of filler amounted to only about one-quarter of a million pounds (farm-sales weight)--less than one-half as much as in 1952-53. Indochina, Algeria, and Canada, the three leading export outlets, each took much less.

The total disappearance of the combined binder types 51-55 in the 1953-54 marketing year was almost 53 million--somewhat less than in each of the 3 preceding years. The disappearances of Connecticut Valley Broadleaf, Havana Seed, and Northern Wisconsin were lower but the Southern Wisconsin and the relatively small New York and Pennsylvania Havana Seed were slightly higher than a year earlier. The total going into domestic use in 1953-54 was near 51 million pounds--about 2 million less than 1952-53. The major outlet, domestically produced cigars, was down a little over 1 percent and the secondary outlet, scrap chewing tobacco, was 3 percent below 1952-53. Exports of cigar binder types in the 1953-54 marketing year totaled 2.1 million pounds--46 percent less than in 1952-53 and the smallest since the War. Much less went to West Germany, Belgium, and Netherlands, the three leading outlets, but more went to Sweden, Denmark, Austria, and Canada. The 1953-54 exports of Connecticut Valley Havana Seed (about one-half of total binder exports) were 24 percent less than 1952-53. The exports of Connecticut Broadleaf (nearly one-third of total binder exports) were 8 percent less than 1952-53. The Wisconsin tobacco 1953-54 exports were less than one-fifth as much as in the preceding year when shipments to East Germany were substantial.

The total disappearance of shade-grown wrapper in the June 1953-July 1954 marketing year was 15.9 million pounds--4 percent less than the record amount of 1952-53. The disappearance of Connecticut Valley type 61 (about three-fifths of the total) although down 9 percent, was the second largest on record while the disappearance of Georgia-Florida (type 62) rose a little to reach a new high. Domestic use of wrapper--12.1 million pounds--was 1 percent below 1952-53 and exports--3.8 million pounds--were down 14 percent. Less went to Germany and the Netherlands but more to Belgium. Canada and Denmark got practically the same as in the preceding year. During July-September, the first quarter of the 1954-55 marketing year exports of wrapper were 9 percent ahead of the same period of a year earlier. Significantly more went to Canada, Switzerland, and France and less to Germany than in July-September 1953.

The total disappearance for cigar filler, cigar binder, and cigar wrapper during 1954-55 are expected to be at least as large as in 1953-54.

Table 18.- Shipments of tobacco from Puerto Rico to the United States for specified periods

(Declared weight)						
Classifi-	Average	Average	1952	1953	January-August	
cation :	1934-38	1947-51	1952	1953	1953	1954
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
Stemmed	17.4	10.0	10.2	11.1	3.1	6.9
Unstemmed	.1	.8	3.5	.9	.7	.4
Scrap	5.0	6.1	3.1	4.2	2.8	2.6
Total	22.5	17.0	16.8	16.2	6.6	9.9

Compiled from publications and records of United States Department of Commerce.

Table 19.- Acreage of tobacco in the United States, by class and type, annual 1951-54, and percentages

Class and type	1951	1952	1953	1954	Percentage change 1953 to 1954
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	396.0	397.0	359.0	369.0	2.8
Eastern North Carolina, type 12	356.0	356.0	331.0	334.0	.9
South Carolina, type 13	224.0	224.0	207.0	212.0	2.4
Georgia and Florida, type 14	134.1	134.3	124.8	127.2	1.9
Total flue-cured, types 11-14	1,110.1	1,111.3	1,021.8	1,042.2	2.0
Virginia, type 21	10.0	9.8	9.9	10.1	2.0
Kentucky and Tennessee, type 22	28.2	28.2	28.3	29.3	3.5
Kentucky and Tennessee, type 23	10.8	9.4	10.1	11.8	16.8
Total fire-cured, types 21-23	49.0	47.4	48.3	51.2	6.0
Burley, type 31	456.1	463.5	419.7	403.7	-3.8
Maryland, type 32	53.0	50.0	45.0	50.0	11.1
One Sucker, type 35	15.0	14.9	14.8	13.7	-7.4
Green River, type 36	8.0	8.0	7.5	7.1	-5.3
Virginia sun-cured, type 37	3.5	3.4	3.7	4.2	13.5
Total dark air-cured, types 35-37	26.5	26.0	26.0	25.0	-3.8
Pennsylvania Seedleaf, type 41	34.6	23.0	24.0	26.0	8.3
Miami Valley, types 42-44	4.9	5.7	4.7	4.6	-2.1
Total cigar filler, types 41-44	39.5	28.7	28.7	30.6	6.6
Connecticut Valley Broadleaf, type 51	8.7	9.3	8.4	8.0	-4.8
Conn. Valley Havana Seed, type 52	6.6	5.8	6.2	6.2	0.
N. Y. and Pa. Havana Seed, type 53	.6	.5	.4	.2	-50.0
Southern Wisconsin, type 54	6.9	5.7	4.8	5.1	6.2
Northern Wisconsin, type 55	8.9	9.4	9.5	9.9	4.2
Total cigar binder, types 51-55	31.7	30.7	29.3	29.4	.3
Conn. Valley Shade-grown, type 61	8.4	8.0	7.9	8.2	3.8
Ga. and Fla. Shade-grown, type 62	5.2	5.1	4.4	4.8	9.1
Total cigar wrapper, types 61-62	13.6	13.1	12.3	13.0	5.7
Louisiana Perique, type 72	.4	.4	.3	.3	0
Total all types	1,779.9	1,771.4	1,631.4	1,645.4	.9

1/ Preliminary.

Table 20.- Tobacco: Acreage in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air-cured 35-37	Cigar			All types combined
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	44.6	42.0	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.5	31.7	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	28.7	30.7	13.1	1,771.4
1953 2/	1,021.8	48.3	419.7	45.0	26.0	26.7	29.3	12.3	1,631.4
1954 2	1,042.2	51.2	403.7	50.0	25.0	30.6	29.4	13.0	1,645.4
Percentage change									
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1954	4.9	-25.8	-6.8	4.2	-22.8	-28.7	-29.8	-12.2	-1.8
1953 to 1954	2.0	6.0	-3.8	11.1	-3.8	6.6	.3	5.7	.9

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

Table 21.- Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue- cured 11-14	Fire- cured 21-24 1/	Burley 31	Mary- land 32	Dark air- cured 35-37	Cigar			All types com- bined
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28:	676	767	807	781	784	1,340	1,256	1,041	765
1929-33:	707	777	777	683	803	1,035	1,350	1,039	770
1934-38:	856	811	819	749	837	1,266	1,465	954	865
1939-43:	963	923	985	755	958	1,323	1,526	982	986
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,547	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,572	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,550	1,532	1,124	1,273
1953 2/	1,245	1,013	1,345	900	1,022	1,409	1,517	1,203	1,260
1954 2/	1,280	1,182	1,528	850	1,276	1,657	1,597	1,254	1,337
Percentage change									
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49: to 1954 :	7.9	4.6	20.6	7.6	14.2	9.8	4.6	21.4	10.7
1953 to 1954 :	2.8	16.7	13.6	-5.6	24.9	17.6	-1.2	4.2	6.1

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

Table 22.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-53, by quarters 1952-54

Year and quarter	Net sales	Profit					
		Net income		Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
		Million dollars	Million dollars	Million dollars	Cents	Cents	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
New series 1/							
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1952							
1	846	61	25	7.2	3.0	17.7	7.3
2	919	69	28	7.5	3.0	19.1	7.7
3	978	80	33	8.2	3.4	21.9	9.0
4	959	75	34	7.8	3.5	20.5	9.3
1953							
1	875	65	28	7.4	3.2	17.9	7.7
2	940	90	35	9.6	3.7	24.5	9.5
3	992	97	39	9.8	3.9	26.1	10.5
4	961	86	36	8.9	3.7	23.0	9.6
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0

1/ Although not strictly comparable to the series previously published for the years 1947-51, the differences disclosed by comparing the new series with the old series for the year 1951 are relatively minor.

Compiled and adapted from Quarterly Financial Report, United States Manufacturing Corporations, Federal Trade Commission and Securities and Exchange Commission.

Table 23.- Personal consumption expenditures on tobacco products and percentage distribution, 1929-53

Year	Ciga- rettes	Cigars	Other tobacco products	Total tobacco products	Ciga- rettes	Cigars	Other tobacco products	Total tobacco products
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent	Percent	Percent
1939	1,207	261	299	1,767	68.3	14.8	16.9	100.0
1940	1,316	265	302	1,883	69.9	14.1	16.0	100.0
1941	1,518	284	306	2,108	72.0	13.5	14.5	100.0
1942	1,773	305	303	2,381	74.5	12.8	12.7	100.0
1943	2,024	358	295	2,677	75.6	13.4	11.0	100.0
1944	2,025	402	290	2,717	74.5	14.8	10.7	100.0
1945	2,208	443	321	2,972	74.3	14.9	10.8	100.0
1946	2,656	542	280	3,478	76.4	15.6	8.0	100.0
1947	3,044	547	278	3,869	78.7	14.1	7.2	100.0
1948	3,308	548	291	4,147	79.8	13.2	7.0	100.0
1949	3,440	519	293	4,252	80.9	12.2	6.9	100.0
1950	3,592	511	298	4,401	81.6	11.6	6.8	100.0
1951	3,885	526	290	4,701	82.6	11.2	6.2	100.0
1952	4,253	548	291	5,092	83.5	10.8	5.7	100.0
1953	4,471	562	277	5,310	84.2	10.6	5.2	100.0

Note: For the years 1929-38, only total expenditures for tobacco products are available in the United States Department of Commerce series. These totals are:

Year	Million dollars	Year	Million dollars	Year	Million dollars
1929	1,695	1933	1,233	1937	1,673
1930	1,450	1934	1,367	1938	1,697
1931	1,489	1935	1,434		
1932	1,322	1936	1,535		


Agricultural Marketing Service. Expenditure data from the United States Department of Commerce.

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